



The City of



Economic Development

INFO SHEET

10 KEY STEPS TO STARTING A BUSINESS

For Businesses Within the City of San Diego Limits

So you want to start a business in the City of San Diego? Here are the key steps, which may vary depending on your type of business. Following 10 Key Steps will give you the general idea and help the process go smoothly.

Many steps can be researched and processed online through the websites listed, saving you the time of calling or visiting department or agency offices. The City's Central Library and all branches provide Internet access during library hours.

1. Research the Basics

The City of San Diego's Economic Development Department acts as an information clearinghouse for City business programs and services. It serves as your resource partner, connecting you with a variety of business assistance agencies. The department coordinates with City staff to provide the Business Tax Certificate (business license) and zoning, permit and regulatory information to businesses -- big, small and startup.

- ◆ Check out the City's award-winning **Online Business Portal** (business.sandiego.gov), powered by OpenCounter™. This free, one-stop, online portal provides customized information to guide you through your start-up process. Find permitted locations for your business, determine the necessary permits, get fee estimates, and learn about available business resources.

City of San Diego Economic Development Department

1200 Third Ave., 14th Floor, San Diego, CA 92101

619-236-6700 | sdbusiness@sandiego.gov | www.sandiego.gov/economic-development/business

Online Business Portal <https://business.sandiego.gov>

- ◆ At the City's **Central Library**, you can access many resources, including market research, information on trademark and service marks and how-to books on a variety of businesses and industries. The Central Library also offers workshops on patent, trademark and copyright issues.

Central Library

330 Park Blvd., San Diego, CA 92101

619-236-5800 | www.sandiego.gov/public-library

- ◆ The **U.S. Small Business Administration** has a Business Resource Center that provides free access to a variety of educational and training resources for starting, operating and growing your business. Free onsite counseling is also provided by the **Service Corps of Retired Executives** (SCORE).

U.S. Small Business Administration - San Diego District Office

550 West C St., Suite 550, San Diego, CA 92101

619-727-4883 | www.sba.gov/offices/district/ca/san-diego

SCORE San Diego

619-557-7272 | www.sandiego.score.org

2. Create Your Business Plan

A **business plan** will be your roadmap. It'll show you where you are in relation to where you want to be. Your business plan will help you outline and document the actions that you need to take. Many businesses fail without a solid business plan. One more thing: Banks require you to have a business plan to be eligible to apply for a loan.

The San Diego **Small Business Development Centers (SBDC)** offer technical assistance to aspiring entrepreneurs and small businesses in San Diego County. One of the nation's largest small business assistance programs, SBDC supports business growth and sustainability and helps create new business through advising, low-cost training and other specialized services, such as help preparing a business plan.

Small Business Development Centers (SBDC)

South San Diego SBDC

880 National City Blvd., Suite 103, National City, CA 91950

619-482-6391 | sdsbdc@swccd.edu | www.growmybiz.org

North San Diego SBDC

2075 Las Palmas Drive, Carlsbad, CA 92011

760-795-8790 | centerinfo@miracosta.edu | www.sandiegosmallbiz.com

3. Determine Your Business Name

The name you choose for your business is very important. If it's your own legal last name (surname) and a one-word description (such as "John Smith Roofing"), then you are not required to register a fictitious business name. If you have a business name outside these parameters (such as JS Expert Roofing) *and* your business is not registered with the state, state law requires you to file a **Fictitious Business Name Statement** with the County of San Diego. This statement, however, does not protect the business name.

County of San Diego Assessor/Recorder/County Clerk's Office

1600 Pacific Highway, Room 260, San Diego, CA 92101

619-237-0502 | <https://arcc.sdcounty.ca.gov/Pages/fbn-info.aspx>

4. Determine the Legal Structure for Your Business

Your choice of legal structure will affect your income taxes and personal liability. Several legal structures exist in the State of California. Most businesses start as a **Sole Proprietorship** or a **General Partnership**, which are generally the least complicated. **Limited Partnerships**, **Limited Liability Partnerships**, **Corporations** and **Limited Liability Companies** must register with the Secretary of State. You are strongly advised to contact your own accountant or attorney for advice determining the best legal structure for you and your business.

California Business Portal/Secretary of State

916-657-5448 | www.businessportal.ca.gov | www.sos.ca.gov/business-programs

IRS Business & Specialty Tax

800-829-4933 | www.irs.gov/businesses/small-businesses-self-employed/starting-a-business

5. Select Your Business Activity Type

In San Diego, there's a classification system that identifies a business activity type, determines a business's startup requirements and where it can be located. Here's a list of common **Business Activity** types, which can also be found on the Business Tax Certificate (business license) application.

| | |
|--|--|
| Agriculture (11) | Real Estate/Rental/Leasing (53) |
| Mining (21) | Professional/Scientific/Technical (54) |
| Utilities (22) | Management Services (55) |
| Construction (23) | Administrative Support (56) |
| Manufacturing (31-33) | Educational Services (61) |
| Wholesale (42) | Health Care/Social Assistance (62) |
| Retail (44-45) | Arts/Entertainment/Recreation (71) |
| Transportation and Warehousing (48-49) | Accommodation/Foodservices (72) |
| Information Services (51) | Other Services (81) |
| Finance and Insurance (52) | Public Administration (92) |

City of San Diego Office of the City Treasurer, Business Tax Division

1200 Third Ave., First Floor, San Diego, CA 92101

619-615-1500 | www.sandiego.gov/treasurer/taxesfees/btax/index.shtml

6. Select Location and Determine Zoning and Site Permit Needs

Before you sign a lease or purchase a property, you should first check to see 1) whether you're allowed to use the space for your type of business; and 2) what permits are necessary. The City's **Online Zoning Portal** can help.

City of San Diego Online Zoning Portal

<https://zoning.sandiego.gov>

- ◆ Not sure where to locate? Submit an inquiry through the City's **Online Business Portal** to obtain information regarding permitted locations and site permit requirements and to get fee estimates. This will give you the information you need and help you know the number and cost of permits you might need before locating, opening and expanding your business.

City of San Diego Online Business Portal

<https://business.sandiego.gov>

- ◆ Plan to operate out of your home? Learn about the City's requirements for **Home Occupation** at www.sandiego.gov/ced/zoning/home. If you can't comply with these City requirements, you must obtain a **Neighborhood Use Permit**.

For new construction or questions about the development process, contact the Development Services Department.

City of San Diego Development Services Department (DSD)

1222 First Ave., Third Floor, San Diego, CA 92101

619-446-5300 | www.sandiego.gov/development-services

7. Get Special Licenses and Permits

Your Business Activity type determines which licenses and permits are needed to operate a business legally. The **City's Online Business Portal** (business.sandiego.gov) provides plenty of information. Here are some key contacts:

- ◆ The **CalGOLD Business Permit System** (database) assists you in finding appropriate permit information for your business. It also provides contact information for the various agencies that administer and issue these permits. CalGOLD neither issues permits or licenses nor provides information on any specific license number(s). If you have questions, contact the agencies that serve your Business Activity type.

CalGOLD

877-345-4633 | www.calgold.ca.gov

- ◆ For a list of more than 200 regulated **Occupations and Professional Services**, contact:

State of California Department of Consumer Affairs

800-952-5210 | www.dca.ca.gov

- ◆ Certain types of Business Activities are regulated by the San Diego Police Department (SDPD) and require a Police Permit. The City of San Diego's **Police Regulated Permitting Application** process is administered by the Office of the City Treasurer. Regulation and enforcement is performed by SDPD. For a list of the City's **Police Regulated Businesses** and information on permits and fees, visit:
www.sandiego.gov/treasurer/taxesfees/pdpermits/requirements.shtml

City of San Diego Office of the City Treasurer, Business Tax Division

1200 Third Ave., First Floor, San Diego, CA 92101

619-615-1500 | www.sandiego.gov/treasurer/taxesfees/pdpermits

- ◆ Use of **hazardous materials** and some issues regarding **high occupancy** require special permits from the San Diego Fire-Rescue Department.

City of San Diego Fire-Rescue Department

619-533-4300

Permits: www.sandiego.gov/fire/services/permits/index.shtml

Hazardous Materials: www.sandiego.gov/fire/services/permits/hazmat.shtml

- ◆ Businesses that sell **tangible personal property** in the State of California must apply for a **Seller's Permit** through the State Board of Equalization.

State Board of Equalization

15015 Avenue of Science, Suite 200, San Diego, CA 92128

858-385-4700 | <http://www.boe.ca.gov/sutax/faqseller.htm>

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Get Special Licenses and Permits (continued)

- ◆ Businesses that sell **goods by weight or volume** must register the devices with the County of San Diego Agriculture, Weights and Measures office. Permits are usually required for businesses that import/export, engage in **agricultural-related production** or use **pesticides**.

County of San Diego Agricultural, Weights and Measures

9325 Hazard Way, Suite 100, San Diego, CA 92123

858-694-2739 | www.sdcountry.ca.gov/awm

- ◆ Businesses that sell or handle **food products**, operate a **pool or spa**, handle **hazardous materials** or **medical waste**, have **underground storage tanks** or use **x-ray equipment** must contact the County of San Diego Environmental Health office. Services vary among the four County offices.

County of San Diego Environmental Health

Four offices

858-338-2222 | www.sdcountry.ca.gov/deh

Other permits and licenses may also be required.

8. Get Tax Information

Several types of State and Federal taxes may be levied on businesses, including income tax, unsecured personal property tax and employment taxes.

- ◆ For **unsecured property tax** information, contact:

County of San Diego Treasurer-Tax Collector

877-829-4732 | www.sdtreastax.com

- ◆ For **State tax** information, read "Striking for Gold," which outlines State taxes for businesses, and is available through the State Board of Equalization. Also, the California Tax Information Center, sponsored by California's tax agencies (Board of Equalization, Employment Development Department and Franchise Tax Board) and the IRS, can provide guidance.

"Striking Gold in California" - State Board of Equalization

800-400-7115 | www.boe.ca.gov/info/VirtualSeminars/business_publications.htm

California Tax Information Center

(800) 338-0505 • <https://taxes.ca.gov>

- ◆ For **Federal tax** information specific to businesses, contact:

Internal Revenue Service

800-829-1040 | <http://www.irs.gov/businesses/small-businesses-self-employed/starting-a-business>



9. Know Your Employer Responsibilities

If you are going to hire employees, you should know it comes with many responsibilities at the City, State and Federal levels.

- ◆ For information about the **City of San Diego employer requirements**, including the Earned Sick Leave and Minimum Wage Ordinance, contact:

City of San Diego Office of the City Treasurer

1200 Third Ave., First Floor, San Diego, CA 92101

619-615-1500 | <http://www.sandiego.gov/treasurer/taxesfees/btax/index.shtml>

Minimum Wage Program: 619-615-1565 | SDMinWage@sandiego.gov | www.sandiego.gov/MinimumWage

- ◆ For information about **State employer requirements**, taxes and services, contact:

State of California Employment Development Department

10636 Scripps Summit Court, Suite 202, San Diego, CA 92131

888-745-3886 and 858-880-2500 | <http://www.edd.ca.gov>

- ◆ On the **Federal** level, employers must register as an employer with the Internal Revenue Service (IRS) to obtain a **Federal Employer Identification Number** (EIN). Employers must also pay additional taxes; withhold, match and submit employee withholdings; obtain worker's compensation insurance and adhere to employee eligibility regulations. The EIN is a nine-digit number that the IRS assigns to business entities and uses to identify taxpayers that are required to file various business tax returns. EINs are used by employers, sole proprietors, corporations, partnerships, nonprofits, trusts and estates, government agencies, certain individuals and other business entities. EINs can be obtained by completing form SS-4 online or by calling the IRS.

Internal Revenue Service

800-829-4933 | www.irs.gov/businesses/small-businesses-self-employed/how-to-apply-for-an-ein

10. Apply for a Business Tax Certificate (Business License)

Any person or entity doing business in the City of San Diego for **more than six days** in one calendar year must have a **Business Tax Certificate**. Home-based businesses (Home Occupation), self-employed persons and independent contractors are also required to have a Business Tax Certificate. You can apply for a Business Tax Certificate online or in person.

City of San Diego Office of the City Treasurer, Business Tax Division

1200 Third Ave., First Floor, San Diego, CA 92101

619-615-1500 | www.sandiego.gov/treasurer

Download application: www.sandiego.gov/treasurer/taxesfees/btax/btaxhow.shtml

More questions? Let us help.

City of San Diego Economic Development Department

1200 Third Ave., 14th Floor, San Diego, CA 92101



619-236-6700 | Email us: sdbusiness@sandiego.gov
24-Hour Online Business Portal: <https://business.sandiego.gov>
Our Website: www.sandiego.gov/economic-development

Additional Resources

The City's Economic Development Department offers many resources to help entrepreneurs start, expand and locate their business in the City of San Diego. The City's new **Business Resource Matcher** can help you discover available financing, such as tax credits, grants and loans, as well as services, such as consulting and mentorship.

City of San Diego Business Resource Matcher
www.sandiego.gov/business-resources

You can also explore our website (www.sandiego.gov/economic-development). Below are some other resources.

Financing Resources

Small business have financial resources in San Diego, but few are available to startups. Most loan programs require that businesses have been in operation for at least one year.

Gap Financing/Business Financing Loan

Program

City of San Diego Economic Development
Department
1200 Third Ave, 14th Floor, San Diego, CA
92101
619-236-6323 | Fax: 619) 533-3219
www.sandiego.gov/economic-development/business/financing

Micro Loans

ACCION San Diego
404 Euclid Ave., Suite 271, San Diego, CA
92114
619-795-7250 | Fax: 619-795-7260
www.accionsandiego.org

Loan Programs

CDC Small Business Finance Corporation
619-291-3594 | Fax: 619-291-6954
<https://cdcloans.com>

California Southern Small Business Development Corp.

State of California Loan Guarantee Program
619-232-7771 | Fax: 619-232-6743
www.casouth.com

Matching Grant/Incentive Programs

Storefront Improvement Program
City of San Diego Economic Development
Department
619-236-6460 | Fax 619-533-3219
www.sandiego.gov/storefront

Certification and Contracting Opportunities

Certification for City Contracts

City of San Diego Equal Opportunity
Contracting
1200 Third Ave., Suite 200 San Diego, CA 92101-4195
619-236-6058
www.sandiego.gov/eoc/boc/slbe.shtml

California Department of General Services
800-559-5529

www.dgs.ca.gov/pd/programs/osds/getcertified.aspx

State Certification as a Small Business

Office of Small Business & DVBE Services

Contracting with City of San Diego

City of San Diego Purchasing Division
1200 Third Ave., Suite 200 San Diego, CA 92101-4195
619-236-6000, Fax: 619-236-5904



www.sandiego.gov/purchasing/

Contracting Opportunities Center
San Diego Contracting Opportunities Center
(Procurement Technical Assistance Center)

4007 Camino Del Rio South, Suite 210
San Diego, CA 92108
619-285-7020, Fax: 619-285-7030
www.ptac-sandiego.org

Small Business Registration

Small Business Administration
550 West C St., Suite 550, San Diego, CA 92101
619-727-4883

<https://www.sba.gov/offices/headquarters/obd/resources/4210>

County of San Diego Resources

County Property Tax Information

Assessor, Recorder, County Clerk
1600 Pacific Highway, Room 103
San Diego, CA 92101
619-236-3771
<https://arcc.sdcounty.ca.gov/Pages/default.aspx>

County Treasurer/Tax Collector
1600 Pacific Highway, Room 162
San Diego, CA 92101
877-829-4732
www.sdtreastax.com

County Air Pollution Control

County Small Business Assistance Program
10124 Old Grove Road, San Diego, CA 92131
858-586-2600 | Fax: 858-586-2601
http://www.sdapcd.org/content/sdc/apcd/en/compliance-programs/business_assistance.html.html

County Zoning Information

County Planning & Development Services
5510 Overland Ave., San Diego, CA 92123
858-565-5920
www.sdcounty.ca.gov/pds

State of California Resources

Many City of San Diego businesses will need to work with State agencies if they intend to incorporate their businesses, sell alcohol and other goods, hire employees, etc.

State Payroll Taxes

State Employment Development Department
10636 Scripps Summit Court, Suite 202
San Diego, CA 92131
888-880-2500
www.edd.ca.gov

State Worker's Compensation

State Compensation Insurance Fund
888-782-8338
www.statefundca.com

State Alcohol Sales Licensing

State Alcoholic Beverage Control
1350 Front St., Suite 5056, San Diego, CA 92101
619-525-4064 | Fax: 619-231-1171
www.abc.ca.gov

State Incorporation Information

California Secretary of State
916-657-5448
www.sos.ca.gov/business-programs

Federal Government Resources

The federal government provides a host of pertinent resources and services to small businesses, including consulting services, tax information, export information and wage and hour information.

Income Tax Information

Internal Revenue Service
880 Front St., First Floor, San Diego, CA 92101
Information: 800-829-1040

Forms and Publications: 800-829-3676
www.irs.treas.gov

Export Information

www.sandiego.gov/economic-development



Department of Commerce
International Trade Administration
www.ita.doc.gov

Wage & Hour Information

U.S. Department of Labor
550 West C St., Suite 990, San Diego, CA 92101
619-557-5110 and 866-487-9243
www.dol.gov and www.labor.ca.gov

Import & Customs

U.S. Customs & Border Protection
Airport and Seaport 619-685-4304
Otay Mesa Border 619-671-8064
Tecate Border 619-938-8300
www.cbp.gov/trade/basic-import-export

San Diego Customs Brokers

<https://apps.cbp.gov/brokers/index.asp?portCode=2506>

Social Security Information

Social Security Administration
1333 Front St., San Diego, CA 92101
800-772-1213
www.ssa.gov

Internet, Mail or Telephone Order Business Regulations

Federal Trade Commission
877-382-4357
www.ftc.gov

Market Research, Technical Assistance and Networking Opportunities

General Information, Research and Networking

San Diego Regional Chamber of Commerce
402 W. Broadway, Suite 1000, San Diego, CA 92101
619-544-1300
www.sdchamber.org

Demographics

San Diego Association of Governments
401 B St., Suite 800, San Diego, CA 92101
619-699-1900 | Fax: 619-699-1905
www.sandag.org

Business Improvement Districts

BID Council
P.O. Box 70169, San Diego, CA 92167
619-239-2437 | Fax: 619-239-0714
www.bidcouncil.org

Food & Beverage Association of S.D. County

3110 Camino Del Rio South, Suite 315
San Diego, CA 92108
619-228-2291 | Fax: 619-228-2297
www.foodnbeverage.org

Fermanian Business & Economic Institute

Point Loma Nazarene University
2600 Laning Road, San Diego, CA 92106
619-849-2692
www.pointloma.edu/experience/academics/centers-institutes/fermanian-business-economic-institute

Entrepreneur Clinic – USD School of Law

University of San Diego
5998 Alcalá Park, San Diego, CA 92110-2492
619-260-7470
www.sandiego.edu/law/academics/clinical_education/clinics/entrepreneur.php

Thomas Jefferson School of Law

Small Business Law Center
495 11th Ave., San Diego, CA 92101
619-961-4382 | Fax: 619-961-1382
www.tjsl.edu

Small Business Consulting

Small Business Development Center (SBDC)
South San Diego SBDC

880 National City Blvd., Suite 103
National City, CA 91950
619-482-6391, Fax: 619-216-6692
www.growmybiz.org/

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2075 Las Palmas Drive, Carlsbad, CA 92011

760-795-8790
www.sandiegosmallbiz.com
Email: centerinfo@miracosta.edu

Center for International Trade Development
www.sandiegocitd.com